



THE CITY OF SAN DIEGO

MEMORANDUM

DATE: June 22, 2009

TO: Honorable Councilmember Donna Frye, District 6

FROM: Tom Blair, Deputy Director of Energy Sustainability and Environmental Protection Division, Environmental Services Department

SUBJECT: State Loan of 2.2 Million to the City of San Diego for Energy Efficiency

Since 2001, the Environmental Services Department, Energy Program has been tasked with implementing energy efficiency measures and renewable energy projects for City owned facilities as well as assisting the General Services Facilities Division to reduce its back log of deferred maintenance projects. Many of the deferred maintenance projects include the replacement of aging lighting and HVAC systems.

In 2003, the Environmental Services Department's Energy Program applied for low interest Energy Efficiency Loans from the California Energy Commission (CEC). The first loan was approved by City Council on May 17, 2004; Ordinance No: OO-19279. The amount of the loan was \$2,230,000.

Between May of 2004 and June 2006, the ESD's Energy Program completed 85 energy efficiency projects saving 2,995,656 kilowatt hours of electricity annually and providing an annual energy cost saving in the amount of \$449,348. The table below provides a summary of CEC Loan No. 1 and Attachment A provides a list of projects completed.

Loan # 1 Summary:

California Energy Commission Energy Conservation Account Loan Agreement No. 023-03-ECB

Ordinance Adopted by Council: May 17, 2004

Loan expended by June 15, 2006

Loan Amount: \$2,230,000

Term of Loan: 15 Years

Loan Interest Rate: 3.95%

Total Number of Projects: 85

Total Kilowatt Hours Saved: 2,995,656

Annual Energy Cost Savings: \$449,348
Annual Debt Service: approx. \$250,000 annually

Based on the success of the CEC Loan No. 1, ESD's Energy Program applied to the CEC for another Energy Efficiency Loan in fall of 2006. The proposed loan was presented to City Council in January 2007 and adopted on January 17, 2007; Ordinance No: OO-19571. The amount of the loan was \$2,226,689.

Since January 2007, ESD's Energy Team has completed 31 energy efficiency projects with annual estimated electricity savings of 1,367,914 kilowatt hours and annual estimated energy cost savings of \$210,084. To date the City has spent approximately \$942,154.54 of the \$2,226,689.

The table below provides a summary of current CEC Loan No. 2 and Attachment B provides a list of projects completed to date.

Loan # 2 Summary:

California Energy Commission Energy Conservation Account Loan Agreement No. 007-06-ECC

Ordinance OO-19571 adopted by City Council on January 17, 2007

Loan anticipated to be expended by June 2010

Loan Amount: \$2,226,689

Term of Loan: 15 Years

Loan Interest Rate: 4.5%

Total Number of Projects completed to date: 31

Total Kilowatt Hours Saved to date: 1,367,914

Annual Energy Cost Savings to date: \$210,084

Annual Debt Service: To be determined upon completion of the loan.

Currently several projects are still pending and have not been pursued for various reasons:

Five (5) Balboa Park Solar Projects (The proposed solar systems are located on City occupied facilities in Balboa Park) – The Energy Program is determining whether these solar projects should move forward utilizing the current CEC loan No. 2, the newly proposed CEC loan program or to pursue these solar projects as a part of a PPA for Greening Balboa Park.

City Administration HVAC/Concourse Central Plant Chilled Water Loop Modifications – The project is on hold until Mayor, City Council and CCDC determine whether to pursue the development of a new City Hall.

Central Police Station/Downtown Police HQ - Chilled Water Loop Modifications – The project is on hold pending modifications to the Co-Generation units and engine replacement project. Project anticipated to be completed in mid 2010.

Mission Valley Library – The lighting retrofit portion of the project has been completed. The remaining energy improvements are HVAC related. The General Service Facilities Division has requested that the work not be performed.

The Environmental Services Department, Energy Program continues to evaluate the above mentioned energy improvements. Any funds not expended under the current CEC Loan program would be returned to the CEC and the City's loan obligation would be reduced without penalty. The City's debt service would only be applicable to those funds expended by the City.

Additionally, the CEC is currently developing a new energy efficiency loan program and is expected to have a lower interest rate than the current loan program. The CEC anticipates it will formally announce this new program in the next thirty (30) days.

In the mean time, the Environmental Services Department, Energy Program has requested an extension of the CEC loan No 2 from June 2009 until June 2010. The CEC has verbally confirmed that an extension to the current loan will be approved in the next few weeks. This will allow the Environmental Services Department's Energy Program time to evaluate each of the options mentioned in this memorandum.

If you have any questions or comments, please contact me 858 492 6001.



Tom Blair
Deputy Director of Energy Sustainability and Environmental Protection Division

JJH/jh

Attachments: Attachment A: CEC Loan No. 1 Project List
Attachment B: CEC Loan No. 2 Project List

cc: Honorable City Council Members
Andrea Tevlin, Independent Budget Analyst
Eric Caldwell, Mayor's Office
Job Nelson, Mayor's Office
Chris Gonaver, Environmental Services Department
Kip Sturdevan, Environmental Services Department
John Helminski, Environmental Services Department

CEC Loan No. 1: Energy Improvement Projects		
As of: Aug 2006		
Financial Summary		Attachment A
	Project	Project Cost
		Comments
1	Clairemont Library - Lighting	\$7,606.35
2	Police Department - HVAC Southeastern	\$49,501.55
3	Library - Various	\$17,120.15
4	North Clairemont Library - Lighting	\$7,472.25
5	Tierrasanta Library - Lighting	\$18,114.93
6	Casa del Prado - HVAC	\$223,179.81
7	Alvarado Water Lab - Variable Drives	\$231,327.63
8	Alvarado Water Lab - Lighting	\$141,730.42
9	Western Police Div - HVAC	\$29,543.94
10	Northeastern Police Div - HVAC	\$39,172.64
11	Eastern Police Div - HVAC	\$38,519.48
12	Oak Park Library - Lighting	\$9,174.99
13	Benjamin Library - Lighting	\$14,169.96
14	North Park Library - Lighting	\$19,030.48
15	PV at Oak Park Library	\$214,598.00
16	PV at Canyonside Rec Center	\$286,817.66
17	PV at No Clairemont Library	\$154,930.96
18	Casa del Prado - Lighting	\$105,141.33
19	Ridgehaven - Lighting	\$124,332.44
20	Serra Mesa Gym Skylights	\$15,814.64
21	Carmel Valley Pool Var Speed Pump Controls	\$2,868.12
22	Police Occupancy Sensors - Various Locales	\$2,773.07
23	Exit Signs - Various Locales	\$5,475.81
24	San Ysidro Library Lighting	\$6,690.21
25	Normal Heights Library Lighting	\$2,268.48
26	University Heights Library Lighting	\$10,393.92
27	Fire Repair Facility - Skylights	\$10,669.99
28	Balboa Library Lighting	\$6,968.45
29	Mission Hills Library Lighting	\$5,038.99
30	Skyline/Paradise Hills Library Lighting	\$4,928.37
31	Plaza Hall Variable Speed Drives	\$43,866.34
32	Chollas High Bay Lights	\$15,968.89
33	Miramar Ops High Bay Lights	\$34,725.98
34	Otay Mesa Library	\$18,741.61
35	Bud Kearns Pool VFD	\$9,876.55
36	Clairemont Rec Ctr Pool VFD	\$12,812.37
37	Southern PD HVAC (Best)	\$43,566.60
38	Fountain - Balboa Park	\$12,663.69
39	North Park Gym Lighting Retrofit	\$9,441.15
BEST Program Lighting Project Participants		Total for the all BEST Projects \$87489.34
40	Pacific Beach Rec Center Lighting	\$646.20
42	Robb Field Rec Center Lighting	\$525.85
43	Presidio Rec Center Lighting	\$191.65
44	Adams Rec Center Lighting	\$515.15
45	Colina Del Sol Rec Center Lighting	\$861.75
46	Golden Hill Rec Center Lighting	\$791.35
47	Balboa Park Puppet Theater	\$2,017.35
48	Balboa Park shuffleboard club lighting	\$2,202.45
49	Balboa Park Lighting Raven Street	\$6,311.00
50	Martin Luther King Rec Center Lighting	\$1,536.90
51	So Clairemont Rec Center Lighting	\$477.70
52	No Clairemont Rec Center Lighting	\$802.90
53	Kearny Mesa Rec Center Lighting	\$872.45
54	Allied Gardens Rec Center Lighting	\$789.45

55	Memorial Senior Center Lighting	\$1,281.09	
56	Memorial Rec Center Lighting	\$2,557.05	
57	San Carlos Library Lighting	\$3,521.55	
58	University City Library Lighting	\$3,788.20	
59	Southern Police Substation Lighting	\$6,883.00	
60	Doyle Recreation Center Lighting	\$2,091.05	
61	La Jolla Recreation Center Lighting	\$1,171.70	
62	Mira Mesa Rec Ctr Lighting	\$987.85	
63	Montgomery Walker Rec Center Lighting	\$1,571.65	
64	South Bay Rec Center Lighting	\$648.10	
65	Balboa Park Club Lighting	\$5,272.55	
66	Balboa Park Nursery Lighting	\$1,355.50	
67	Balboa Park Vet Memorial Lighting	\$1,182.45	
68	Ocean Beach Pier Lighting	\$122.30	
69	San Ysidro Community Center (West Park Blvd) Lighti	\$2,839.25	
70	Willie Henderson Sports Ctr Lighting	\$499.20	
71	World Beat Center Lighting	\$586.35	
72	San Carlos Community Park Lighting	\$445.75	
73	Vista Terrace Park Lighting	\$466.55	
74	Balboa Tennis Club	\$408.10	
75	Serra Mesa Rec Center	\$1,048.20	
76	Kearny Mesa Rec Center Pool	\$148.20	
77	Field Engineering	\$4,611.80	
78	Mission Trails Visitor Ctr	\$1,629.00	
79	Southcrest Park and Rec Ctr	\$771.55	
80	Cesar Chavez Community Ctr	\$1,110.45	
81	Paradise Hills Park and Rec Ctr	\$883.40	
82	Brown Field	\$1,351.45	
83	Scripps Ranch Library Lighting	\$10,487.00	
84	Montgomery Field	\$6,032.06	
85	Tierrasanta Rec Center	\$3,194.84	
	Other Project Related Costs		
	Auditors Administration Costs	\$25,358.25	Loan Administration
	General Costs - Applicable to all Projects	\$28,185.26	Quality control inspections by Facilities Division
	Totals Expenditures:	\$2,148,071.05	
	Total Loan Amount: \$2,230,000		
	Loan Period: January 14, 2004 through June 15, 2006		
	Loan Number: 023-03-ECB		

CEC Loan No. 2: Energy Improvement Projects					Attachment B
As of: June 2009					
Financial Summary					
	Project	Project Cost (Invoice 1)	Project Cost (Invoice 2)	Total	Comments
1	Balboa Park LED	\$18,327.65		\$18,327.65	
2	Tierrasanta Gym Lighting	\$28,598.35		\$28,598.35	
3	Quivira Lifeguard repair conversion to T8		\$3,000.00	\$3,000.00	
4	North Park Rec Center & Teen Center Lighting		\$7,409.57	\$7,409.57	
5	Facility QA Fire/Lifeguard		\$4,746.12	\$4,746.12	
6	Council Chambers	\$627.59	\$27.50	\$655.09	
7	Cadman Recreation Center		\$6,573.94	\$6,573.94	
8	North Park Teen Center Lighting		\$9,409.55	\$9,409.55	
9	North Park Senior Center	\$317.73	\$10,826.86	\$11,144.59	
10	Mission Valley Library -Lighting	\$4,222.28	\$9,267.44	\$13,489.72	
11	Ocean Beach Recreation Ctr Lighting	\$567.58	\$29,750.60	\$30,318.18	
12	Various Park & Rec. Lighting		\$9,729.25	\$9,729.25	
13	Balboa Park Admin Bldg. Lighting		\$5,945.08	\$5,945.08	
14	Balboa Park War Memorial bldg		\$6,088.97	\$6,088.97	
15	Beckwourth Library		\$13,257.60	\$13,257.60	
16	Community Park I Lighting		\$274.46	\$274.46	
17	Balboa Municipal Gym Lighting		\$3,916.50	\$3,916.50	
18	Pilot Street Lighting		\$7,385.09	\$7,385.09	
19	Qualcomm Stadium Interior Lighting		\$163,036.82	\$163,036.82	
20	Traffic Signal Maintenance Shop Lighting		\$4,275.52	\$4,275.52	
21	Auditors Support to CEC Loan #2	\$1,197.67	\$1,210.14	\$2,407.81	
22	Facilities QA P&R	\$435.62		\$435.62	
23	Facilities QA Lighting	\$1,182.49		\$1,182.49	
24	Linda Vista HVAC	\$108,906.16		\$108,906.16	
25	Otay Mesa Library HVAC	\$73,052.48		\$73,052.48	
26	Allied Garden Pool VFD		\$24,866.43	\$24,866.43	
27	Oak Park Library HVAC		\$113,348.26	\$113,348.26	
28	Pacific Beach Library HVAC		\$135,234.03	\$135,234.03	
29	North Park Library-HVAC		\$64,993.80	\$64,993.80	
30	San Ysidro Community Center	\$64,223.51	\$3,209.65	\$67,433.16	
31	Carmel Valley Library HVAC Control		\$2,712.25	\$2,712.25	
Other Project Related Costs					
Auditors Administration Costs					Cost To Be Determined.
General Costs - Applicable to all Projects					Cost To Be Determined.
Totals Expenditures:		\$301,659.11	\$640,495.43	\$942,154.54	
Total Loan Amount: \$2,226,689					
Loan Period: May 2007 thru June 2009					
Loan Number: 007-06-ECC					